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TAGS: [PGOV](#) [PBTS](#) [KPAL](#) [KWBG](#) [IS](#)  
SUBJECT: AS OLD GUARD RESIGNS, YESHA COUNCIL SETTLERS  
DEBATE NEW STRATEGIES

Classified By: Consul General Daniel Rubinstein  
for reasons 1.4 (b) and (d).

11. (SBU) Summary. On January 11, Pinchas Wallerstein resigned as director-general of the Council of Jewish Communities of Judea, Samaria, and the Gaza Strip (known as the "YESHA Council," from the Hebrew acronym for "Judea, Samaria, and Gaza"). Wallerstein told the Israeli press that he was resigning over a disagreement with YESHA Council Chairman Dani Dayan over the council's stance on settler resistance to GOI policies. Prompted by his announcement, settler activists gathered in Gush Etzion on January 17 to debate the current status and likely future of West Bank settlements, followed by a closed session of the YESHA Council. Post settler contacts had a mixed reaction to Wallerstein's resignation, with some saying that the YESHA Council needs to change its structure and strategy to remain effective, moving away from confrontational strategies and rebuilding ties to the Israeli government. Others argued that the YESHA Council has made itself irrelevant through its disproportionate focus on fringe group interests, at the expense of the major settlement blocs. End Summary.

#### CHANGING OF THE GUARD

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12. (U) Three months into the GOI's ten-month moratorium on new residential construction in West Bank settlements, longtime settler leader Pinchas Wallerstein announced on January 11 that he would be stepping down from the executive board of the YESHA Council at the end of that month. Wallerstein -- the last of the "old guard" of the Gush Emunim settlement movement, the predecessor to the YESHA Council -- cited the organization's failure to distance itself from extremist settlers as a primary reason for his resignation. Wallerstein publicly criticized the YESHA Council for failing to condemn attacks carried out by extremist settlers against Palestinians as part of a so-called "price tag" on the moratorium. He also argued that the YESHA Council should have taken a stand against the public expressions of opposition by Israel Defense Forces (IDF) soldiers against GOI orders to evacuate unauthorized West Bank outposts, saying, "It is our duty today to make sure the military isn't involved in the politics of evacuation and demolition."

13. (C) Some Post settler contacts said that it was "about time" for Wallerstein to resign. "I have the utmost respect for Pinchas," Shilo-based settler, Yisrael "Winky" Medad, told PolOff, "but it was organizationally dumb to have both (YESHA Chairman) Dani (Dayan) and Pinchas in leadership positions -- it was bound to create friction." Medad noted that Wallerstein and Dayan are of two different generations

of settler activists, and said that with the resignation of the elder Wallerstein, he expected significant changes in the policies of the YESHA Council. Medad argued that the YESHA Council had done a poor job of engaging radical settler youth movements. Until now, the council has avoided avoid any association with so-called "hilltop youths," said Medad. "Maybe it's time to figure out how to work with them and use them for the YESHA Council's causes. Of course, we don't condone violence. We need to use their energy towards effective means of protests, not violence."

#### RUMBLINGS OF CHANGES

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14. (C) The week after Wallerstein's resignation, approximately 120 settlers gathered under the auspices of the Gush Etzion Regional Council on January 17 to attend a conference titled, "Judea, Samaria, and What's Around It." Shaul Goldstein, head of the Gush Etzion Regional Council and organizer of the event, told PolOff, "The purpose of the conference was to examine how we're viewed by Israelis, and to exchange ideas about how to promote our mission for a unified Land of Israel." Goldstein told PolOff that in the course of the conference, discussions took place among Israeli government, NGO, and media representatives on topics such as "How the Media Views Settlers", "Influencing the U.S. Administration," and "The Demographic Problem." Afterwards, the YESHA Council held a closed-door meeting to discuss unspecified policy changes, which Goldstein said would be announced in the coming weeks. Note: On January 31, Naftali Bennett, a former aide to then-opposition leader Netanyahu and a resident of the town of Raanana on Israel's coastal plain, not of the West Bank, was appointed to replace

Wallerstein as director-general of the YESHA Council. Israeli press reported that the appointment of Bennett reflects the changing image of YESHA Council to incorporate the support of Israelis who do not live within the occupied territories. End Note.

15. (C) "Pinchas is a great man, but YESHA Council needs new blood -- it's stagnant," Goldstein argued, "The old council doesn't work anymore." Goldstein said he proposed to the YESHA Council that it split into two divisions: municipality leaders, who would focus on building relationships with the Israeli government and lobbying for services and funding; and the elected council members, who would "focus on the politics." "The YESHA Council used to have good relations with the (Israeli government), and negotiated concessions for us." Goldstein said. "Now, they're seen as protesters and troublemakers." Goldstein said his "clear" priority is "to get funding for my schools and services for my communities."

16. (C) On January 24, the Jewish holiday of Tu B'Shvat (Arbor Day), the Israeli press reported that Israeli Prime Minister Netanyahu planted a tree in the Kfar Etzion settlement. In the course of his speech, Netanyahu said that the Gush Etzion settlement bloc will remain part of Israel. Goldstein, who organized the event, told PolOff, "My friends were angry that I let Bibi (Netanyahu) in -- they said, 'Why are you legitimizing him?' I said, 'I don't need to legitimize him, he's the Prime Minister! I need him to legitimize me.'" Noting fellow settlers' concerns that such a conciliatory approach to the GOI may force settler leaders to concede to the evacuation of certain other settlements, Goldstein said, "Well, this may be the case."

#### CHANGE THE SOLUTION, REBRAND THE SETTLER

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17. (C) "What we learned from the (January 17) conference," said Goldstein, "is that the Ministry of Defense, the Israeli government, Tel Aviv, those left-wing activists -- all are concerned about the demographic problem." Goldstein noted that Israeli annexation of the West Bank would bring 2.35 million Palestinians inside Israeli borders, diluting the Jewish identity of the State of Israel. Goldstein said that he realized that Israeli settlers needed to find a solution

to that demographic problem if they wanted "mainstream Israel" to accept them. "People say we're at the heart of the problem," Goldstein said. "Well, maybe we can be at the heart of the solution."

¶8. (C) On this note, Goldstein told Post he had been selected by a group of settlement-supporters to write a proposal on potential resolutions of "the demographic problem" posed by annexation of the West Bank to Israel. "I have some ideas," said Goldstein. "Not everyone will agree, but it will solve the problem." Goldstein clarified that he had undertaken this initiative outside of the remit of the YESHA Council. "A group of us are starting something new," Goldstein said. "There will be another conference in a few weeks, then we will do some fundraising."

¶9. (C) Fellow January 17 conference attendee and Goldstein friend Avihu Cohen, who co-founded the Tzur Shalem outpost in the Gush Etzion bloc, told PolOff, "The two-state solution won't work. The solution is to annex the West Bank." Cohen explained that his proposed solution would allow Arabs who want to live in Israel to work and live in Israel and vote in local elections, but they would not be able to participate in national elections. Cohen told PolOff that, "Israel is a Jewish state and non-Jews should not be allowed to participate in shaping the nation."

¶10. (C) With this premise in mind, Cohen told PolOff he is starting a new organization with the aim of "re-branding the settler," in order to combat negative images and win the heart of mainstream Israel. "The regular Tel Avivans see settlers as Arab-hating, Uzi-toting, kippah-wearing extremists -- whereas the majority of us are not like that. We're law-abiding, respectful citizens," Cohen said. His first step would be to reach out to yeshiva students, "when they are at the age of shaping their thoughts and opinions," to explain to them the settler image problem, and "show them they can contribute to the new strategy of 'winning hearts' instead of turning to extremism and insubordination."

¶11. (C) Cohen said his strategy involved developing relationships with the Israeli government, "mainstream Israel," youth movements, and the international community. The goal would be "to show the world that the settler is not crazy," and to demonstrate that "there's a solution for everyone to live peacefully in Israel -- and it's not the two-state solution," Cohen said. Cohen told PolOff that his initiative has the backing of Goldstein and hinted that Goldstein may be involved.

YESHA WHO?

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¶12. (C) Other settlement leaders told PolOff that they had not followed the YESHA Council's changing of the guard closely, and did not participate in its internal politics. Settler leaders in large settlement blocs contiguous to the Green Line were dismissive of Wallerstein's resignation. Rabbi Yaacov Guterman, mayor of Modiin Illit, told PolOff, "YESHA? Oh, I don't know what they do. We're different. We're not part of them." Ron Nachman, mayor of Ariel, told PolOff he had no connections with the YESHA Council. "I'm the mayor of Ariel, I'm in charge and I'm committed to my city. I don't need someone to be elected above my head to tell me what to do," Nachman said.

¶13. (C) Settler leaders in the remote Jordan Valley concurred. "The Jordan Valley is not YESHA," David Elhayani, head of the Jordan Valley Regional Council, told PolOff. "What does YESHA stand for? They represent the little settlements in the middle (of the West Bank) that are always screaming and protesting." Just as the YESHA Council meant little to residents of Maale Adumim and other large settlement blocs adjacent to the Green Line, it meant little to settlers in the Jordan Valley, he said.

¶14. (C) Elhayani argued that, given his good relations with

the Israeli government, the YESHA Council was irrelevant. He told PolOff that he had received private assurances from GOI officials that there are no plans to give up the Jordan Valley as part of any peace deal. Currently, Elhayani said, he is planning to build 100 additional houses in the Jordan Valley -- which is "a lot for here," he said -- directly following the end of the current moratorium.

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